

Received & Inspected

JUL 14 2010

FCC Mail Room

To:

Marlene H. Dortch
Secretary
FCC

July 5, 2010

Subject:

Notice of Proposed Rule Making
FCC 10-83
CC Docket # 02-6
GN Docket # 09-51

Comments Submitted By:

E-Rate Advantage
174 Leigh Street
Clinton, NY 08809
Robert Sniecinski

rjs@erateadvantage.com

No. of Copies rec'd 0
List A B C D E

Introduction

E-Rate Advantage, LLC has worked with the E-Rate program through our clients since 2005. We realize the need for change as the realities of our economy and the changes in technology bring pressure on various government programs. When the E-Rate program first began providing funding to schools and libraries, voice communication was the primary and most entrenched vehicle for communication within our schools. However, times have changed, and the world of data communications has offered a totally new approach to learning and communications. It is time for the E-Rate program to change as well and reallocate resources to those technologies that will bring the greatest educational benefit to our students.

We respectfully request the FCC to consider the comments that follow. Our comments correspond to each section of the NPRM and within each section are numbered to correspond to the numbered paragraphs in the original NPRM released on May 20, 2010. Where a numbered paragraph is not identified we have no comment related to that paragraph.

Streamlining the Application Process

Paragraph 17 – The NPRM provides many examples of the types of changes proposed. However, we are concerned that the examples given represent large school Districts that have the staff and resources required to adhere to all of the E-Rate requirements. Many schools do not have this luxury. We agree with the proposal to eliminate the need for a technology plan for priority one services. However, eliminating the requirement to post a 470 application could create many problems for the program and could lead to more appeals. The 470 application is not a complicated form and in the current process allows all those concerned to understand when the competitive bidding process begins and ends. To eliminate the 470 application will place a greater burden on PIA reviewers to understand and interpret the state and local procurement laws in order to review the application. We believe this will significantly increase the application review time and require USAC to learn and enforce state and local procurement laws, thus increasing the complexity and demands on the PIA reviewers. Eliminating the 470 for Priority I applicants but not for Priority II would only add to the confusion of the program, especially for smaller applicants. Smaller applicants that lack the staff and general knowledge of the E-Rate program will have to know two sets of guidelines for filing E-Rate applications. However, there are ways to simplify both forms and thus simplify the process.

For example, on the 470 application Block 1: Applicant Address and Identification “Type of Applicant” can be confusing to the applicant and also to E-Rate customer service. I have asked E-Rate Customer Service how do to classify a private school that has multiple locations and serves grades K-12 (ie Is this an individual school or is this a District?) Customer Service was not

sure but told us, “to be safe classify it as a District”. I would suggest eliminating bullet 5 in Block 1.

Much of the information from year to year is repetitive especially for Telecommunications Services and Internet Access. It would simplify the process if the school was able to simply “modify” the prior year’s application instead of starting from scratch each year.

We are certain Block 4 “Recipients of Service” line 16c serves a purpose for someone but retyping all those areas codes and prefixes each year seems unnecessary and complicated. Applicants are constantly getting timed out of the system and having to start over. We propose eliminating this section, or if we can modify the prior year’s application this becomes a non issue.

In Block 5 “Certification and Signature” lines 29 through 31 are often the same as the contact person. Why not allow the applicant the option to click and auto fill this section with the contact persons information.

The 471 application also has room for improvement. Allowing the option to modify from a prior years application would be a major improvement. Allowing the copying of Block 4 from prior years was a major improvement. The following suggestions would not only save time, but would also minimize typos and other clerical errors:

1 – When entering individual FRNs allow the prior 470 number entered to be the default for the next FRN. This way an applicant that has one 470 number will only have to enter it once, on the initial FRN. 2 – When entering multiple FRNs for the same service provider, allow the prior SPIN to be the default for the next FRN. 3 – For the contract award date, service start date, contract expiration date and service end date, It would be beneficial for the 471 to default to whatever the previous FRN was. Most of the time, when filing a 471, much of the needed dates are constant over the application. 4 – In Block 6 “Certification and Signature” Lines 38 to 42e are often the contact person information. Our suggested improvement is to allow a simple click and copy function to copy this information.

Technology Planning

Paragraph 18 – E-Rate Advantage agrees with the elimination of the requirement for a school to have a technology plan if they are only applying for telecommunications and internet access.

Paragraph 19 - E-Rate Advantage believes if you eliminate the need for a technology plan for Priority I finding, you should eliminate that need for every applicant. We would not like to see a level of funding that would trigger an applicant to have to know when to file a form.

Paragraph 20 – E-Rate Advantage agrees with the need for a technology plan for priority II services. We believe this will force schools and libraries to plan their technology needs over a three year period and will force them to consider what needs they currently have and what they anticipate will be their future needs. We believe that this level of thought and planning will go a long way in helping applicants minimize waste by forcing them to take a whole hearted look at what they really need and at the actual costs.

Competitive Bidding Process

Paragraph 21 – Please see comments on paragraph 17.

A fair and open competitive bidding process has always been the cornerstone of the E-Rate program. Eliminating this form 470 and having schools and libraries be guided by their local and state procurement rules would only complicate the program more. Not only would schools and libraries have to become intimately familiar with their procurement rules but so would PIA reviewers. Currently the program relies on the 470 as the benchmark for opening a competitive bidding process. Under the new suggestion, USAC would have to know and interpret every state and local procurement rule which would over-complicate the review process and could lead to longer review times. In addition, this would put USAC in a position to police local and state rules not just E-Rate rules. We again assert that the filing of a 470 is not a complicated process. A change relying on adherence to State and Local laws would raise the issue of enforcement - How would the program assure these laws were being adhered to and interpreted correctly. PIA reviewers come from varied backgrounds and do an admirable job of adhering to the procedures established by the FCC. Asking them to become familiar with and able to interpret adherence to State and Local procurement guidelines could become a major and costly training endeavor.

The E-Rate program has spent many years establishing what a fair and open competitive bidding process entails. Over the years stakeholders have learned the program rules through funding denials, appeals and in some cases legal actions. We see no benefit from changing the rules, but rather a significant state of confusion with eliminating the 470. We believe this will result in an increase in denied applications and an increase in the number of appeals.

Discount Matrix Streamlining

Paragraph 45 – The educational space has changed. It is no longer just learning in the classroom. With the increasing use of technology, learning can take place at any time in virtually any location. Allowing our students to take advantage of this increasing open learning environment can only make them more knowledgeable and competitive in the world market. We believe that providing full E-Rate support for portable learning devices that are used off

premises will only help students learn more. However, we believe that these devices must be monitored carefully and should be assigned defined parameters.

Paragraphs 58 and 59 – It is clear that the role once played by voice technology in the education of our students is quickly moving to more advanced data technologies. However, we disagree with the approach taken. There is an assumption in the NPRM that the fund is capped at the 1998 level and that level of funding must be reallocated to meet a changing need.

We believe that the education of our students is an important activity and the resources to enable them to be competitive in the future should be available. We do not have the resources nor data to predict, for certain, the economic benefit to the program of increasing the USF fees by five cents per phone bill, but we imagine that it is significant. We would be hard pressed to find anyone that would not be willing to pay an extra \$.05 if it meant a better learning environment for our children.

In addition, we recognize the decreasing role of Priority One voice communication and propose decreasing the funding available for Priority One Voice communications and shifting those funds to internet access and Priority Two funds. With this said, we would not propose the elimination of Priority I telecommunications but perhaps a cap or an alteration to the discount level. Perhaps the maximum discount on Priority One Telecommunications would be 65 or 75%.

Paragraph 69 – We propose setting aside a finite amount of money for Priority One Voice or set a cap on the maximum discount percentage available. We also propose capping maintenance at 5-10% of the internal connections cost.

Paragraph 71 - The E-Rate program is designed to provide funding to schools for the advancement of education. Creating a cap as described by the FCC would hinder the program objectives for the majority of schools in the country. The FCC examples are for Districts that have 100,000+ students. The vast majority of schools in the country have far fewer students and would be harmed by the cap proposed by the FCC. A per student cap would work to fund more school. However, the dollar amounts to each school would be almost worthless. Take a small 300 student school. Under the proposed \$15 a student cap, the school would receive $300 \times 15 = \$4500.00$. If the school is a 80% school, it receives \$3600 in funding. With this amount of funding, it would likely only be able to afford a fraction of the infrastructure it needs. For example, they might be able to afford the server, but not the required wiring. Or they could run some wiring but will not be able to buy any servers. This limited funding would hinder the schools ability to meet its needs, and would force the school to fund their projects in stages over multiple years, thereby delaying the actual benefit from the program. In addition, it would have a tremendous effect on large school districts. Let's take the NYC Department of Education

(BEN 153135). In 2008, they received \$194,933,392.93 in internal connections funding. Under this new cap they would have received – 963,697 students at \$15 = \$14,455,455*.9=\$13,009,909, assuming 90% funding. With the proposed guidelines, the NYC Department of Education would receive \$13 Million, which represents a 94% cut. It would take them almost 17 years of applying for E-Rate to receive the same amount of money they have received in one single year. A second example: Take the LA Unified School District (143454) - In 2007 they received over \$127,968,827 in internal connections funding. Under the new proposed cap – 654,067 students*\$15=\$9,811,005*.87= \$8,535,574. LA would receive \$8,535,574 or 6% of what they received in 2007. It would take them over 17 years of applying for E-Rate to receive the amount of money that they received in one year. The cut in funding would also limit the schools ability to pay for other projects it needs (ie computers, sports programs, arts programs, etc). This lack of funding will not only cripple schools technology but it could also have a similar impact of other programs such as sports, arts and anything else that may be considered elective.

We believe that implementing a funding cap on the dollar amount will greatly cripple the E-Rate program and schools in general.

Paragraph 72. While we would not be in favor of implementing a funding cap on Internal connections , if this is the desire of the FCC, we would recommend setting a minimum amount for which a school, library or school district would be able to apply for. In doing this, you would not adversely affect the smaller schools, libraries and school districts, as mentioned in our discussion in paragraph 71. We believe that a funding cap would dramatically hinder the program if it were not implemented with some sort of minimum funding threshold. This minimum threshold will allow the smaller schools to remain competitive and still take advantage of all that the program offers. We believe that a fair minimum threshold would be \$100,000. This \$100,000 should be per building and should be allocated to whatever building the school sees fit. This will allow smaller schools and smaller districts to still fund their projects. Example: if a school has 4 buildings they should be able to apply for a minimum of \$400,000 and should be able to distribute that \$400,000 over the 4 building at whatever level they feel equitable.

While we lack the expertise and knowledge of the cost for wiring buildings, installing phone systems and LAN's, we feel that a minimum of \$100,000 per building should be a sufficient amount to at least afford the school the opportunity to put in a viable system.

Paragraph 77 - If the FCC decides to implement a cap on internal connections, or similar mechanism, E-Rate Advantage would be in favor of eliminating the 2 in 5 rule. This will allow

schools, who traditionally receive much larger amounts of funding every 2 out of 5 year, to be able to apply for funding every year.

Paragraph 80 - E-Rate Advantage is not in favor of eliminating Basic Maintenance of Internal Connections. While eliminating maintenance would free up additional money initially, it would reduce the useful lifetime of funded equipment, as poorly maintained equipment would need to be replaced more frequently. We would propose a funding cap on maintenance of perhaps 5-10% of total internal connections costs. This would provide a bare minimum of coverage and allow for the most costly items to be maintained rather than simply replaced, therefore, using E-Rate money more efficiently and wisely. This would eliminate the inefficiency of schools and libraries from simply buying new servers or other equipment because they cannot afford the maintenance.

Lastly, we highly recommend the FCC implement any dramatic changes in a phased approach to allow schools to properly prepare and plan for any changes in their funding. Should the FCC implement a change that will drastically reduce a schools funding limit, the school is likely ill-prepared to deal with such a rapid, swift change, given that schools approach their technology needs over a three-year period. Therefore, we suggest a three year phase-in approach that provides adequate transition time from the current E-Rate rules to the newly implemented rules.

Received & Inspected

JUL 14 2010

FCC Mail Room

To:

Marlene H. Dortch
Secretary
FCC

July 5, 2010

Subject:

Notice of Proposed Rule Making
FCC 10-83
CC Docket # 02-6
GN Docket # 09-51

Comments Submitted By:

E-Rate Advantage
174 Leigh Street
Clinton, NY 08809
Robert Sniecinski

rjs@erateadvantage.com

|

Introduction

E-Rate Advantage, LLC has worked with the E-Rate program through our clients since 2005. We realize the need for change as the realities of our economy and the changes in technology bring pressure on various government programs. When the E-Rate program first began providing funding to schools and libraries, voice communication was the primary and most entrenched vehicle for communication within our schools. However, times have changed, and the world of data communications has offered a totally new approach to learning and communications. It is time for the E-Rate program to change as well and reallocate resources to those technologies that will bring the greatest educational benefit to our students.

We respectfully request the FCC to consider the comments that follow. Our comments correspond to each section of the NPRM and within each section are numbered to correspond to the numbered paragraphs in the original NPRM released on May 20, 2010. Where a numbered paragraph is not identified we have no comment related to that paragraph.

Streamlining the Application Process

Paragraph 17 – The NPRM provides many examples of the types of changes proposed. However, we are concerned that the examples given represent large school Districts that have the staff and resources required to adhere to all of the E-Rate requirements. Many schools do not have this luxury. We agree with the proposal to eliminate the need for a technology plan for priority one services. However, eliminating the requirement to post a 470 application could create many problems for the program and could lead to more appeals. The 470 application is not a complicated form and in the current process allows all those concerned to understand when the competitive bidding process begins and ends. To eliminate the 470 application will place a greater burden on PIA reviewers to understand and interpret the state and local procurement laws in order to review the application. We believe this will significantly increase the application review time and require USAC to learn and enforce state and local procurement laws, thus increasing the complexity and demands on the PIA reviewers. Eliminating the 470 for Priority I applicants but not for Priority II would only add to the confusion of the program, especially for smaller applicants. Smaller applicants that lack the staff and general knowledge of the E-Rate program will have to know two sets of guidelines for filing E-Rate applications. However, there are ways to simplify both forms and thus simplify the process.

For example, on the 470 application Block 1: Applicant Address and Identification “Type of Applicant” can be confusing to the applicant and also to E-Rate customer service. I have asked E-Rate Customer Service how do to classify a private school that has multiple locations and serves grades K-12 (ie Is this an individual school or is this a District?) Customer Service was not

sure but told us, "to be safe classify it as a District". I would suggest eliminating bullet 5 in Block 1.

Much of the information from year to year is repetitive especially for Telecommunications Services and Internet Access. It would simplify the process if the school was able to simply "modify" the prior year's application instead of starting from scratch each year.

We are certain Block 4 "Recipients of Service" line 16c serves a purpose for someone but retyping all those areas codes and prefixes each year seems unnecessary and complicated. Applicants are constantly getting timed out of the system and having to start over. We propose eliminating this section, or if we can modify the prior year's application this becomes a non issue.

In Block 5 "Certification and Signature" lines 29 through 31 are often the same as the contact person. Why not allow the applicant the option to click and auto fill this section with the contact persons information.

The 471 application also has room for improvement. Allowing the option to modify from a prior years application would be a major improvement. Allowing the copying of Block 4 from prior years was a major improvement. The following suggestions would not only save time, but would also minimize typos and other clerical errors:

1 – When entering individual FRNs allow the prior 470 number entered to be the default for the next FRN. This way an applicant that has one 470 number will only have to enter it once, on the initial FRN. 2 – When entering multiple FRNs for the same service provider, allow the prior SPIN to be the default for the next FRN. 3 – For the contract award date, service start date, contract expiration date and service end date, It would be beneficial for the 471 to default to whatever the previous FRN was. Most of the time, when filing a 471, much of the needed dates are constant over the application. 4 – In Block 6 "Certification and Signature" Lines 38 to 42e are often the contact person information. Our suggested improvement is to allow a simple click and copy function to copy this information.

Technology Planning

Paragraph 18 – E-Rate Advantage agrees with the elimination of the requirement for a school to have a technology plan if they are only applying for telecommunications and internet access.

Paragraph 19 - E-Rate Advantage believes if you eliminate the need for a technology plan for Priority I finding, you should eliminate that need for every applicant. We would not like to see a level of funding that would trigger an applicant to have to know when to file a form.

Paragraph 20 – E-Rate Advantage agrees with the need for a technology plan for priority II services. We believe this will force schools and libraries to plan their technology needs over a three year period and will force them to consider what needs they currently have and what they anticipate will be their future needs. We believe that this level of thought and planning will go a long way in helping applicants minimize waste by forcing them to take a whole hearted look at what they really need and at the actual costs.

Competitive Bidding Process

Paragraph 21 – Please see comments on paragraph 17.

A fair and open competitive bidding process has always been the cornerstone of the E-Rate program. Eliminating this form 470 and having schools and libraries be guided by their local and state procurement rules would only complicate the program more. Not only would schools and libraries have to become intimately familiar with their procurement rules but so would PIA reviewers. Currently the program relies on the 470 as the benchmark for opening a competitive bidding process. Under the new suggestion, USAC would have to know and interpret every state and local procurement rule which would over-complicate the review process and could lead to longer review times. In addition, this would put USAC in a position to police local and state rules not just E-Rate rules. We again assert that the filing of a 470 is not a complicated process. A change relying on adherence to State and Local laws would raise the issue of enforcement - How would the program assure these laws were being adhered to and interpreted correctly. PIA reviewers come from varied backgrounds and do an admirable job of adhering to the procedures established by the FCC. Asking them to become familiar with and able to interpret adherence to State and Local procurement guidelines could become a major and costly training endeavor.

The E-Rate program has spent many years establishing what a fair and open competitive bidding process entails. Over the years stakeholders have learned the program rules through funding denials, appeals and in some cases legal actions. We see no benefit from changing the rules, but rather a significant state of confusion with eliminating the 470. We believe this will result in an increase in denied applications and an increase in the number of appeals.

Discount Matrix Streamlining

Paragraph 45 – The educational space has changed. It is no longer just learning in the classroom. With the increasing use of technology, learning can take place at any time in virtually any location. Allowing our students to take advantage of this increasing open learning environment can only make them more knowledgeable and competitive in the world market. We believe that providing full E-Rate support for portable learning devices that are used off

premises will only help students learn more. However, we believe that these devices must be monitored carefully and should be assigned defined parameters.

Paragraphs 58 and 59 – It is clear that the role once played by voice technology in the education of our students is quickly moving to more advanced data technologies. However, we disagree with the approach taken. There is an assumption in the NPRM that the fund is capped at the 1998 level and that level of funding must be reallocated to meet a changing need.

We believe that the education of our students is an important activity and the resources to enable them to be competitive in the future should be available. We do not have the resources nor data to predict, for certain, the economic benefit to the program of increasing the USF fees by five cents per phone bill, but we imagine that it is significant. We would be hard pressed to find anyone that would not be willing to pay an extra \$.05 if it meant a better learning environment for our children.

In addition, we recognize the decreasing role of Priority One voice communication and propose decreasing the funding available for Priority One Voice communications and shifting those funds to internet access and Priority Two funds. With this said, we would not propose the elimination of Priority I telecommunications but perhaps a cap or an alteration to the discount level. Perhaps the maximum discount on Priority One Telecommunications would be 65 or 75%.

Paragraph 69 – We propose setting aside a finite amount of money for Priority One Voice or set a cap on the maximum discount percentage available. We also propose capping maintenance at 5-10% of the internal connections cost.

Paragraph 71 - The E-Rate program is designed to provide funding to schools for the advancement of education. Creating a cap as described by the FCC would hinder the program objectives for the majority of schools in the country. The FCC examples are for Districts that have 100,000+ students. The vast majority of schools in the country have far fewer students and would be harmed by the cap proposed by the FCC. A per student cap would work to fund more school. However, the dollar amounts to each school would be almost worthless. Take a small 300 student school. Under the proposed \$15 a student cap, the school would receive $300 \times 15 = \$4500.00$. If the school is a 80% school, it receives \$3600 in funding. With this amount of funding, it would likely only be able to afford a fraction of the infrastructure it needs. For example, they might be able to afford the server, but not the required wiring. Or they could run some wiring but will not be able to buy any servers. This limited funding would hinder the schools ability to meet its needs, and would force the school to fund their projects in stages over multiple years, thereby delaying the actual benefit from the program. In addition, it would have a tremendous effect on large school districts. Let's take the NYC Department of Education

(BEN 153135). In 2008, they received \$194,933,392.93 in internal connections funding. Under this new cap they would have received – 963,697 students at \$15 = \$14,455,455*.9=\$13,009,909, assuming 90% funding. With the proposed guidelines, the NYC Department of Education would receive \$13 Million, which represents a 94% cut. It would take them almost 17 years of applying for E-Rate to receive the same amount of money they have received in one single year. A second example: Take the LA Unified School District (143454) - In 2007 they received over \$127,968,827 in internal connections funding. Under the new proposed cap – 654,067 students*\$15=\$9,811,005*.87= \$8,535,574. LA would receive \$8,535,574 or 6% of what they received in 2007. It would take them over 17 years of applying for E-Rate to receive the amount of money that they received in one year. The cut in funding would also limit the schools ability to pay for other projects it needs (ie computers, sports programs, arts programs, etc). This lack of funding will not only cripple schools technology but it could also have a similar impact of other programs such as sports, arts and anything else that may be considered elective.

We believe that implementing a funding cap on the dollar amount will greatly cripple the E-Rate program and schools in general.

Paragraph 72. While we would not be in favor of implementing a funding cap on Internal connections , if this is the desire of the FCC, we would recommend setting a minimum amount for which a school, library or school district would be able to apply for. In doing this, you would not adversely affect the smaller schools, libraries and school districts, as mentioned in our discussion in paragraph 71. We believe that a funding cap would dramatically hinder the program if it were not implemented with some sort of minimum funding threshold. This minimum threshold will allow the smaller schools to remain competitive and still take advantage of all that the program offers. We believe that a fair minimum threshold would be \$100,000. This \$100,000 should be per building and should be allocated to whatever building the school sees fit. This will allow smaller schools and smaller districts to still fund their projects. Example: if a school has 4 buildings they should be able to apply for a minimum of \$400,000 and should be able to distribute that \$400,000 over the 4 building at whatever level they feel equitable.

While we lack the expertise and knowledge of the cost for wiring buildings, installing phone systems and LAN's, we feel that a minimum of \$100,000 per building should be a sufficient amount to at least afford the school the opportunity to put in a viable system.

Paragraph 77 - If the FCC decides to implement a cap on internal connections, or similar mechanism, E-Rate Advantage would be in favor of eliminating the 2 in 5 rule. This will allow

schools, who traditionally receive much larger amounts of funding every 2 out of 5 year, to be able to apply for funding every year.

Paragraph 80 - E-Rate Advantage is not in favor of eliminating Basic Maintenance of Internal Connections. While eliminating maintenance would free up additional money initially, it would reduce the useful lifetime of funded equipment, as poorly maintained equipment would need to be replaced more frequently. We would propose a funding cap on maintenance of perhaps 5-10% of total internal connections costs. This would provide a bare minimum of coverage and allow for the most costly items to be maintained rather than simply replaced, therefore, using E-Rate money more efficiently and wisely. This would eliminate the inefficiency of schools and libraries from simply buying new servers or other equipment because they cannot afford the maintenance.

Lastly, we highly recommend the FCC implement any dramatic changes in a phased approach to allow schools to properly prepare and plan for any changes in their funding. Should the FCC implement a change that will drastically reduce a schools funding limit, the school is likely ill-prepared to deal with such a rapid, swift change, given that schools approach their technology needs over a three-year period. Therefore, we suggest a three year phase-in approach that provides adequate transition time from the current E-Rate rules to the newly implemented rules.

Received & Inspected

JUL 14 2010

FCC Mail Room

To:

Marlene H. Dortch
Secretary
FCC

July 5, 2010

Subject:

Notice of Proposed Rule Making
FCC 10-83
CC Docket # 02-6
GN Docket # 09-51

Comments Submitted By:

E-Rate Advantage
174 Leigh Street
Clinton, NY 08809
Robert Sniecinski

rjs@erateadvantage.com

Introduction

E-Rate Advantage, LLC has worked with the E-Rate program through our clients since 2005. We realize the need for change as the realities of our economy and the changes in technology bring pressure on various government programs. When the E-Rate program first began providing funding to schools and libraries, voice communication was the primary and most entrenched vehicle for communication within our schools. However, times have changed, and the world of data communications has offered a totally new approach to learning and communications. It is time for the E-Rate program to change as well and reallocate resources to those technologies that will bring the greatest educational benefit to our students.

We respectfully request the FCC to consider the comments that follow. Our comments correspond to each section of the NPRM and within each section are numbered to correspond to the numbered paragraphs in the original NPRM released on May 20, 2010. Where a numbered paragraph is not identified we have no comment related to that paragraph.

Streamlining the Application Process

Paragraph 17 – The NPRM provides many examples of the types of changes proposed. However, we are concerned that the examples given represent large school Districts that have the staff and resources required to adhere to all of the E-Rate requirements. Many schools do not have this luxury. We agree with the proposal to eliminate the need for a technology plan for priority one services. However, eliminating the requirement to post a 470 application could create many problems for the program and could lead to more appeals. The 470 application is not a complicated form and in the current process allows all those concerned to understand when the competitive bidding process begins and ends. To eliminate the 470 application will place a greater burden on PIA reviewers to understand and interpret the state and local procurement laws in order to review the application. We believe this will significantly increase the application review time and require USAC to learn and enforce state and local procurement laws, thus increasing the complexity and demands on the PIA reviewers. Eliminating the 470 for Priority I applicants but not for Priority II would only add to the confusion of the program, especially for smaller applicants. Smaller applicants that lack the staff and general knowledge of the E-Rate program will have to know two sets of guidelines for filing E-Rate applications. However, there are ways to simplify both forms and thus simplify the process.

For example, on the 470 application Block 1: Applicant Address and Identification “Type of Applicant” can be confusing to the applicant and also to E-Rate customer service. I have asked E-Rate Customer Service how do to classify a private school that has multiple locations and serves grades K-12 (ie Is this an individual school or is this a District?) Customer Service was not

sure but told us, “to be safe classify it as a District”. I would suggest eliminating bullet 5 in Block 1.

Much of the information from year to year is repetitive especially for Telecommunications Services and Internet Access. It would simplify the process if the school was able to simply “modify” the prior year’s application instead of starting from scratch each year.

We are certain Block 4 “Recipients of Service” line 16c serves a purpose for someone but retyping all those areas codes and prefixes each year seems unnecessary and complicated. Applicants are constantly getting timed out of the system and having to start over. We propose eliminating this section, or if we can modify the prior year’s application this becomes a non issue.

In Block 5 “Certification and Signature” lines 29 through 31 are often the same as the contact person. Why not allow the applicant the option to click and auto fill this section with the contact persons information.

The 471 application also has room for improvement. Allowing the option to modify from a prior years application would be a major improvement. Allowing the copying of Block 4 from prior years was a major improvement. The following suggestions would not only save time, but would also minimize typos and other clerical errors:

1 – When entering individual FRNs allow the prior 470 number entered to be the default for the next FRN. This way an applicant that has one 470 number will only have to enter it once, on the initial FRN. 2 – When entering multiple FRNs for the same service provider, allow the prior SPIN to be the default for the next FRN. 3 – For the contract award date, service start date, contract expiration date and service end date, It would be beneficial for the 471 to default to whatever the previous FRN was. Most of the time, when filing a 471, much of the needed dates are constant over the application. 4 – In Block 6 “Certification and Signature” Lines 38 to 42e are often the contact person information. Our suggested improvement is to allow a simple click and copy function to copy this information.

Technology Planning

Paragraph 18 – E-Rate Advantage agrees with the elimination of the requirement for a school to have a technology plan if they are only applying for telecommunications and internet access.

Paragraph 19 - E-Rate Advantage believes if you eliminate the need for a technology plan for Priority I finding, you should eliminate that need for every applicant. We would not like to see a level of funding that would trigger an applicant to have to know when to file a form.

Paragraph 20 – E-Rate Advantage agrees with the need for a technology plan for priority II services. We believe this will force schools and libraries to plan their technology needs over a three year period and will force them to consider what needs they currently have and what they anticipate will be their future needs. We believe that this level of thought and planning will go a long way in helping applicants minimize waste by forcing them to take a whole hearted look at what they really need and at the actual costs.

Competitive Bidding Process

Paragraph 21 – Please see comments on paragraph 17.

A fair and open competitive bidding process has always been the cornerstone of the E-Rate program. Eliminating this form 470 and having schools and libraries be guided by their local and state procurement rules would only complicate the program more. Not only would schools and libraries have to become intimately familiar with their procurement rules but so would PIA reviewers. Currently the program relies on the 470 as the benchmark for opening a competitive bidding process. Under the new suggestion, USAC would have to know and interpret every state and local procurement rule which would over-complicate the review process and could lead to longer review times. In addition, this would put USAC in a position to police local and state rules not just E-Rate rules. We again assert that the filing of a 470 is not a complicated process. A change relying on adherence to State and Local laws would raise the issue of enforcement - How would the program assure these laws were being adhered to and interpreted correctly. PIA reviewers come from varied backgrounds and do an admirable job of adhering to the procedures established by the FCC. Asking them to become familiar with and able to interpret adherence to State and Local procurement guidelines could become a major and costly training endeavor.

The E-Rate program has spent many years establishing what a fair and open competitive bidding process entails. Over the years stakeholders have learned the program rules through funding denials, appeals and in some cases legal actions. We see no benefit from changing the rules, but rather a significant state of confusion with eliminating the 470. We believe this will result in an increase in denied applications and an increase in the number of appeals.

Discount Matrix Streamlining

Paragraph 45 – The educational space has changed. It is no longer just learning in the classroom. With the increasing use of technology, learning can take place at any time in virtually any location. Allowing our students to take advantage of this increasing open learning environment can only make them more knowledgeable and competitive in the world market. We believe that providing full E-Rate support for portable learning devices that are used off

premises will only help students learn more. However, we believe that these devices must be monitored carefully and should be assigned defined parameters.

Paragraphs 58 and 59 – It is clear that the role once played by voice technology in the education of our students is quickly moving to more advanced data technologies. However, we disagree with the approach taken. There is an assumption in the NPRM that the fund is capped at the 1998 level and that level of funding must be reallocated to meet a changing need.

We believe that the education of our students is an important activity and the resources to enable them to be competitive in the future should be available. We do not have the resources nor data to predict, for certain, the economic benefit to the program of increasing the USF fees by five cents per phone bill, but we imagine that it is significant. We would be hard pressed to find anyone that would not be willing to pay an extra \$.05 if it meant a better learning environment for our children.

In addition, we recognize the decreasing role of Priority One voice communication and propose decreasing the funding available for Priority One Voice communications and shifting those funds to internet access and Priority Two funds. With this said, we would not propose the elimination of Priority I telecommunications but perhaps a cap or an alteration to the discount level. Perhaps the maximum discount on Priority One Telecommunications would be 65 or 75%.

Paragraph 69 – We propose setting aside a finite amount of money for Priority One Voice or set a cap on the maximum discount percentage available. We also propose capping maintenance at 5-10% of the internal connections cost.

Paragraph 71 - The E-Rate program is designed to provide funding to schools for the advancement of education. Creating a cap as described by the FCC would hinder the program objectives for the majority of schools in the country. The FCC examples are for Districts that have 100,000+ students. The vast majority of schools in the country have far fewer students and would be harmed by the cap proposed by the FCC. A per student cap would work to fund more school. However, the dollar amounts to each school would be almost worthless. Take a small 300 student school. Under the proposed \$15 a student cap, the school would receive $300 \times 15 = \$4500.00$. If the school is a 80% school, it receives \$3600 in funding. With this amount of funding, it would likely only be able to afford a fraction of the infrastructure it needs. For example, they might be able to afford the server, but not the required wiring. Or they could run some wiring but will not be able to buy any servers. This limited funding would hinder the schools ability to meet its needs, and would force the school to fund their projects in stages over multiple years, thereby delaying the actual benefit from the program. In addition, it would have a tremendous effect on large school districts. Let's take the NYC Department of Education

(BEN 153135). In 2008, they received \$194,933,392.93 in internal connections funding. Under this new cap they would have received – 963,697 students at \$15 = \$14,455,455*.9=\$13,009,909, assuming 90% funding. With the proposed guidelines, the NYC Department of Education would receive \$13 Million, which represents a 94% cut. It would take them almost 17 years of applying for E-Rate to receive the same amount of money they have received in one single year. A second example: Take the LA Unified School District (143454) - In 2007 they received over \$127,968,827 in internal connections funding. Under the new proposed cap – 654,067 students*\$15=\$9,811,005*.87= \$8,535,574. LA would receive \$8,535,574 or 6% of what they received in 2007. It would take them over 17 years of applying for E-Rate to receive the amount of money that they received in one year. The cut in funding would also limit the schools ability to pay for other projects it needs (ie computers, sports programs, arts programs, etc). This lack of funding will not only cripple schools technology but it could also have a similar impact of other programs such as sports, arts and anything else that may be considered elective.

We believe that implementing a funding cap on the dollar amount will greatly cripple the E-Rate program and schools in general.

Paragraph 72. While we would not be in favor of implementing a funding cap on Internal connections , if this is the desire of the FCC, we would recommend setting a minimum amount for which a school, library or school district would be able to apply for. In doing this, you would not adversely affect the smaller schools, libraries and school districts, as mentioned in our discussion in paragraph 71. We believe that a funding cap would dramatically hinder the program if it were not implemented with some sort of minimum funding threshold. This minimum threshold will allow the smaller schools to remain competitive and still take advantage of all that the program offers. We believe that a fair minimum threshold would be \$100,000. This \$100,000 should be per building and should be allocated to whatever building the school sees fit. This will allow smaller schools and smaller districts to still fund their projects. Example: if a school has 4 buildings they should be able to apply for a minimum of \$400,000 and should be able to distribute that \$400,000 over the 4 building at whatever level they feel equitable.

While we lack the expertise and knowledge of the cost for wiring buildings, installing phone systems and LAN's, we feel that a minimum of \$100,000 per building should be a sufficient amount to at least afford the school the opportunity to put in a viable system.

Paragraph 77 - If the FCC decides to implement a cap on internal connections, or similar mechanism, E-Rate Advantage would be in favor of eliminating the 2 in 5 rule. This will allow

schools, who traditionally receive much larger amounts of funding every 2 out of 5 year, to be able to apply for funding every year.

Paragraph 80 - E-Rate Advantage is not in favor of eliminating Basic Maintenance of Internal Connections. While eliminating maintenance would free up additional money initially, it would reduce the useful lifetime of funded equipment, as poorly maintained equipment would need to be replaced more frequently. We would propose a funding cap on maintenance of perhaps 5-10% of total internal connections costs. This would provide a bare minimum of coverage and allow for the most costly items to be maintained rather than simply replaced, therefore, using E-Rate money more efficiently and wisely. This would eliminate the inefficiency of schools and libraries from simply buying new servers or other equipment because they cannot afford the maintenance.

Lastly, we highly recommend the FCC implement any dramatic changes in a phased approach to allow schools to properly prepare and plan for any changes in their funding. Should the FCC implement a change that will drastically reduce a schools funding limit, the school is likely ill-prepared to deal with such a rapid, swift change, given that schools approach their technology needs over a three-year period. Therefore, we suggest a three year phase-in approach that provides adequate transition time from the current E-Rate rules to the newly implemented rules.

Received & Inspected

JUL 14 2010

FCC Mail Room

To:

July 5, 2010

Marlene H. Dortch
Secretary
FCC

Subject:

Notice of Proposed Rule Making
FCC 10-83
CC Docket # 02-6
GN Docket # 09-51

Comments Submitted By:

E-Rate Advantage
174 Leigh Street
Clinton, NY 08809
Robert Sniecinski

rjs@erateadvantage.com

Introduction

E-Rate Advantage, LLC has worked with the E-Rate program through our clients since 2005. We realize the need for change as the realities of our economy and the changes in technology bring pressure on various government programs. When the E-Rate program first began providing funding to schools and libraries, voice communication was the primary and most entrenched vehicle for communication within our schools. However, times have changed, and the world of data communications has offered a totally new approach to learning and communications. It is time for the E-Rate program to change as well and reallocate resources to those technologies that will bring the greatest educational benefit to our students.

We respectfully request the FCC to consider the comments that follow. Our comments correspond to each section of the NPRM and within each section are numbered to correspond to the numbered paragraphs in the original NPRM released on May 20, 2010. Where a numbered paragraph is not identified we have no comment related to that paragraph.

Streamlining the Application Process

Paragraph 17 – The NPRM provides many examples of the types of changes proposed. However, we are concerned that the examples given represent large school Districts that have the staff and resources required to adhere to all of the E-Rate requirements. Many schools do not have this luxury. We agree with the proposal to eliminate the need for a technology plan for priority one services. However, eliminating the requirement to post a 470 application could create many problems for the program and could lead to more appeals. The 470 application is not a complicated form and in the current process allows all those concerned to understand when the competitive bidding process begins and ends. To eliminate the 470 application will place a greater burden on PIA reviewers to understand and interpret the state and local procurement laws in order to review the application. We believe this will significantly increase the application review time and require USAC to learn and enforce state and local procurement laws, thus increasing the complexity and demands on the PIA reviewers. Eliminating the 470 for Priority I applicants but not for Priority II would only add to the confusion of the program, especially for smaller applicants. Smaller applicants that lack the staff and general knowledge of the E-Rate program will have to know two sets of guidelines for filing E-Rate applications. However, there are ways to simplify both forms and thus simplify the process.

For example, on the 470 application Block 1: Applicant Address and Identification “Type of Applicant” can be confusing to the applicant and also to E-Rate customer service. I have asked E-Rate Customer Service how do to classify a private school that has multiple locations and serves grades K-12 (ie Is this an individual school or is this a District?) Customer Service was not

sure but told us, "to be safe classify it as a District". I would suggest eliminating bullet 5 in Block 1.

Much of the information from year to year is repetitive especially for Telecommunications Services and Internet Access. It would simplify the process if the school was able to simply "modify" the prior year's application instead of starting from scratch each year.

We are certain Block 4 "Recipients of Service" line 16c serves a purpose for someone but retyping all those areas codes and prefixes each year seems unnecessary and complicated. Applicants are constantly getting timed out of the system and having to start over. We propose eliminating this section, or if we can modify the prior year's application this becomes a non issue.

In Block 5 "Certification and Signature" lines 29 through 31 are often the same as the contact person. Why not allow the applicant the option to click and auto fill this section with the contact persons information.

The 471 application also has room for improvement. Allowing the option to modify from a prior years application would be a major improvement. Allowing the copying of Block 4 from prior years was a major improvement. The following suggestions would not only save time, but would also minimize typos and other clerical errors:

1 – When entering individual FRNs allow the prior 470 number entered to be the default for the next FRN. This way an applicant that has one 470 number will only have to enter it once, on the initial FRN. 2 – When entering multiple FRNs for the same service provider, allow the prior SPIN to be the default for the next FRN. 3 – For the contract award date, service start date, contract expiration date and service end date, It would be beneficial for the 471 to default to whatever the previous FRN was. Most of the time, when filing a 471, much of the needed dates are constant over the application. 4 – In Block 6 "Certification and Signature" Lines 38 to 42e are often the contact person information. Our suggested improvement is to allow a simple click and copy function to copy this information.

Technology Planning

Paragraph 18 – E-Rate Advantage agrees with the elimination of the requirement for a school to have a technology plan if they are only applying for telecommunications and internet access.

Paragraph 19 - E-Rate Advantage believes if you eliminate the need for a technology plan for Priority I finding, you should eliminate that need for every applicant. We would not like to see a level of funding that would trigger an applicant to have to know when to file a form.

Paragraph 20 – E-Rate Advantage agrees with the need for a technology plan for priority II services. We believe this will force schools and libraries to plan their technology needs over a three year period and will force them to consider what needs they currently have and what they anticipate will be their future needs. We believe that this level of thought and planning will go a long way in helping applicants minimize waste by forcing them to take a whole hearted look at what they really need and at the actual costs.

Competitive Bidding Process

Paragraph 21 – Please see comments on paragraph 17.

A fair and open competitive bidding process has always been the cornerstone of the E-Rate program. Eliminating this form 470 and having schools and libraries be guided by their local and state procurement rules would only complicate the program more. Not only would schools and libraries have to become intimately familiar with their procurement rules but so would PIA reviewers. Currently the program relies on the 470 as the benchmark for opening a competitive bidding process. Under the new suggestion, USAC would have to know and interpret every state and local procurement rule which would over-complicate the review process and could lead to longer review times. In addition, this would put USAC in a position to police local and state rules not just E-Rate rules. We again assert that the filing of a 470 is not a complicated process. A change relying on adherence to State and Local laws would raise the issue of enforcement - How would the program assure these laws were being adhered to and interpreted correctly. PIA reviewers come from varied backgrounds and do an admirable job of adhering to the procedures established by the FCC. Asking them to become familiar with and able to interpret adherence to State and Local procurement guidelines could become a major and costly training endeavor.

The E-Rate program has spent many years establishing what a fair and open competitive bidding process entails. Over the years stakeholders have learned the program rules through funding denials, appeals and in some cases legal actions. We see no benefit from changing the rules, but rather a significant state of confusion with eliminating the 470. We believe this will result in an increase in denied applications and an increase in the number of appeals.

Discount Matrix Streamlining

Paragraph 45 – The educational space has changed. It is no longer just learning in the classroom. With the increasing use of technology, learning can take place at any time in virtually any location. Allowing our students to take advantage of this increasing open learning environment can only make them more knowledgeable and competitive in the world market. We believe that providing full E-Rate support for portable learning devices that are used off